

Message Text

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TO AMEMBASSY LUSAKA
INFO USMISSION USUN NEW YORK

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TAGS: RH, PFOR, UN
SUBJECT: RHODESIAN OFFICES IN U.S

REF: (A) LUSAKA 1334
(B) LUSAKA 623

1. FOLLOWING RESPONDS TO YOUR INQUIRIES IN REFTELS
CONCERNING RHODESIA SANCTIONS.

2. FRANCHISE CONTRACTS: AVIS, HERTZ, HOLIDAY INNS, ETC.--
THE DEPT OF TREASURY, WHICH ADMINISTERS A SUBSTANTIAL
PORTION OF THE USG'S SANCTION ENFORCEMENT PROGRAM DOES NOT
CONSIDER THAT FRANCHISE CONTRACTS CONTRAVENE THE PURPOSE OF
THE SANCTIONS SO LONG AS THERE IS NO TRANSFER TO RHODESIA
OF GOODS, SERVICES OR CAPITAL. THE TREASURY POSITION IS
THAT THE SANCTIONS ARE INTENDED TO PRECLUDE FINANCIAL AND
COMMERCIAL TRANSACTIONS BY PERSONS OUTSIDE RHODESIA WITH
THAT AREA; THAT THEIR PURPOSE IS TO DEPRIVE RHODESIA OF
MARKETS FOR ITS EXPORTS, ACCESS TO IMPORTS AND CAPITAL; THAT
IN GENERAL, THERE WOULD BE NO REASON TO INTERFERE WITH
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CAPITAL OUTFLOWS SO LONG AS THE CAPITAL TRANSFERRED IS

FROZEN BY THE RECIPIENT COUNTRY; THAT SUCH OUTFLOW REDUCES RHODESIAN FOREIGN EXCHANGE HOLDINGS WITHOUT CURRENT TRANSFER OF GOODS OR SERVICES TO RHODESIA. CONSEQUENTLY IN TREASURY'S VIEW, THEY ACTUALLY CONTRIBUTE TO FULFILLMENT OF THE PURPOSES OF THE EMBARGO.

3. RHODESIAN OFFICES IN THE U.S.-- R.I.O. ENJOYS NO DIPLOMATIC PRIVILEGES AND IMMUNITIES, AND HAS NO RELATIONS, OFFICIAL OR UNOFFICIAL WITH THE DEPT OF STATE. IT IS ON RECORD WITH THE DEPT OF JUSTICE AS ENGAGING IN "POLITICAL ACTIVITIES" WITHIN THE MEANING OF THE FOREIGN AGENTS REGISTRATION ACT. ITS KNOWN ACTIVITIES DO NOT CONFLICT WITH U.S. LAW AND ARE NOT IN CONFLICT WITH U.S. OBLIGATIONS UNDER INTERNATIONAL LAW.

THE UN RESOLUTIONS CALL ON MEMBER STATES TO PREVENT ACTIVITIES "WHICH WOULD PROMOTE OR ARE CALCULATED TO PROMOTE....". THIS PHRASEOLOGY HAS NOT BEEN INTERPRETED TO INCLUDE GENERAL INFORMATION DISSEMINATION, PUBLIC RELATIONS ACTIVITIES OR ADVERTISEMENTS. INSTEAD IT IS INTERPRETED TO RELATE TO ACTIVITIES DIRECTLY INCIDENTAL TO A PROHIBITED COMMERCIAL TRANSACTION. THE UN RESOLUTIONS WERE IN LARGE PART DRAFTED BY THE UK AND THE USG HAS SOUGHT, IN RESPECT TO THE INTERPRETATION, THE VIEW OF THE UK BOTH IN ITS CAPACITY AS THE PRINCIPLE DRAFTER OF THE RESOLUTIONS AND ALSO IN ITS CAPACITY AS THE LAWFUL SOVEREIGN FOR RHODESIA.

4. CLOSURE OF AIR RHODESIA OFFICE-- ACCORDING TO TREASURY PRESS RELEASE OF MAY 17, 1974, THE LICENSE, AUTHORIZING THE USE OF UNBLOCKED RHODESIAN FUNDS TO OPERATE THE AIR RHODESIA OFFICE, WAS REVOKED BECAUSE THE MANAGER OF THE OFFICE ENGAGED IN ACTIVITIES OUTSIDE THE SCOPE OF THE LICENSE. OFFICE NOW CLOSED AND NO RPT NO APPLICATION FOR ANOTHER LICENSE IS NOW UNDER CONSIDERATION BY TREASURY. KISSINGER

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